

James E. McGreevey  
Governor

Kristi Izzo  
Board Secretary

## NOTICE

**TAKE NOTICE THAT** pursuant to N.J.S.A. 48:3-60, the New Jersey Board of Public Utilities ("Board") has scheduled a public hearing wherein interested parties may present comments for the record concerning proposed funding levels for the Clean Energy Program. The Electric Discount and Energy Competition Act ("EDECA") at N.J.S.A. 48:3-60(a)(3), directed the Board to initiate a proceeding and cause to be undertaken a comprehensive resource analysis of energy programs. After notice, opportunity for public comment and public hearing, and after consultation with the New Jersey Department of Environmental Protection ("NJDEP"), the Board shall determine, within eight months of initiating the proceeding, the appropriate level of funding for energy efficiency and Class I renewable energy programs (now called New Jersey's Clean Energy Program) that provide environmental benefits above and beyond those provided by standard offer or similar programs in effect as of February 9, 1999. In its May 7, 2004 Order in Docket Nos. EX03110946 and EX04040276, the Board initiated the procedural schedule for the determination of the 2005 through 2008 funding level, allocations and program budgets.

In its January 22, 2003 Order in Docket No. EX99050347, the Board established the New Jersey Clean Energy Council as advisors to the Board and to work with Board Staff to make recommendations and assessments of the components of New Jersey's Clean Energy Program, programmatic effectiveness, the goals and objectives on a program-by-program basis, incentive levels, program delivery, consumer satisfaction, and administrative efficiency.

The initial four year funding level for 2001 through 2004 New Jersey's Clean Energy Program was 2001 \$115 million, 2002 \$119 million, 2003 \$124 million and 2004 \$124 million up to \$139 million if needed. New Jersey's Clean Energy Program provides direct incentives to New Jersey residents and businesses, including low income families, for the installation of energy efficiency equipment and renewable energy systems. This program saves New Jersey residents and businesses energy, lowers their energy bills, can help to lower the overall system energy costs and results in improved environmental quality by reducing emissions and discharge from conventional energy generation and use. Results of the program, as reported in the 2002 and 2003 Annual Reports of New Jersey's Clean Energy Program, can be viewed on the NJBPU website at [www.bpu.state.nj.us](http://www.bpu.state.nj.us) or [www.njcleanenergy.com](http://www.njcleanenergy.com).

As set forth at N.J.S.A. 48:3-60(a)(3), the Board is to determine the funding level and allocation, as well as the programs to be funded, taking into consideration the existing markets barriers and environmental benefits with the objective of transforming the markets, capturing lost opportunities, making energy services more affordable for low income customers and eliminating subsidies for programs that can be delivered in the marketplace without customer funding. The New Jersey Clean Energy Council and its committees have met numerous times from the initiation of the procedural schedule to discuss and develop their advice on the 2005 through 2008 funding levels for New Jersey's Clean Energy Program.

The Board staff will develop and make available and post on the NJBPU website at www.bpu.state.nj.us, a staff straw proposal for the 2005 through 2008 funding levels and allocations which takes into account the comments and positions of the New Jersey Clean Energy Council and its committees.

The current funding level for Clean Energy Programs is \$124.126 million. Funding levels that have been proposed for 2005-2008 energy efficiency and Class I renewable energy programs (jointly the Clean Energy Program) are in the following range:

	<b><u>Low</u></b>	<b><u>High</u></b>
2005	\$124 million	\$202 million
2008	\$140 million	\$262 million

The following comparisons of present and proposed changes will permit customers to determine the approximate net effect of the proposed increases. Please note that the Board, in its discretion, may apply all or any portion of whatever funding increases it may ultimately allow in a different manner than what is proposed here. Accordingly, the final rates and charges to be determined by the Board in future proceedings may be different than what has been described herein.


These proposed funding levels would impact distribution rates, assuming an allocation methodology based on distribution revenues, as follows:

	<b><u>High</u></b> <b><u>2005</u></b>	<b><u>Low</u></b> <b><u>2005</u></b>	<b><u>High</u></b> <b><u>2008</u></b>	<b><u>Low</u></b> <b><u>2008</u></b>
Electric:	0.3%-4.6%	0%-2.4%	1.5%-6.3%	0%-2.9%
Gas:	1.4%-3.5%	0.3%-0.9%	2.2%-5.5%	0.6%-1.4%

In each case, the annual percentage increase applicable to specific customers would vary according to the applicable rate schedule and the level of the customer's usage if approved by the Board.

The hearing will be held on Wednesday, October 27, 2004 from 2:30 p.m. to 5:00 p.m. in the Board's Hearing Room located in the Board's eighth floor offices at Two Gateway Center, Newark, New Jersey. Persons interested in attending the above meeting who require special accommodations because of a disability should contact the Office of the Secretary of the Board at (973) 648-3426 at least three (3) days prior to the meeting date so that appropriate arrangements can be made. Any changes to the schedule will be posted on the NJBPU website at www.bpu.state.nj.us and on the Clean Energy Program website at www.njcleanenergy.com.

In order to facilitate the discussion, the Board requests that written comments be submitted five days in advance of the hearing/meeting date for publication on the NJBPU and Clean Energy Program websites. All comments submitted to the Board should reference the relevant caption and docket numbers I/M/O of Comprehensive Energy Efficiency and Renewable Energy Resource Analysis, BPU Docket No. EX04040276 and be addressed to the Board's Secretary at New Jersey Board of Public Utilities, Two Gateway Center, Newark, New Jersey 07102. We encourage you to e-mail your comments to [OCE@bpu.state.nj.us](mailto:OCE@bpu.state.nj.us). Anyone unable to attend a hearing/meeting may submit written comments in the manner described above.

  
Kristi Izzo  
Secretary of the Board

Dated: October 7, 2004